

*(Con't) MEMO*

DANIEL K. INOUYE, HAWAII, CHAIRMAN  
PARRY GOLDWATER, ARIZ., VICE CHAIRMAN

BIRCH BAYH, IND.  
ADLAI E. STEVENSON, JR.  
WILLIAM C. HATHAWAY, MAINE  
WALTER D. HUDDLESTON, KY.  
JOSEPH R. BIDEN, JR., DEL.  
ROBERT MORGAN, N.C.  
GARY HART, COLOR.  
DANIEL PATRICK MOYNIHAN, N.Y.

CLIFFORD P. CASE, N.J.

JAKE GARN, UTAH  
CHARLES MCC. MATHIAS, JR., MD.  
JAMES B. PEARSON, KANS.  
JOHN H. CHAFEE, R.I.  
RICHARD G. LUGAR, IND.  
MALCOLM WALLOP, WYO.

ROBERT C. BYRD, W. VA., EX OFFICIO  
HOWARD H. BAKER, JR., TENN., EX OFFICIO

WILLIAM G. MILLER, STAFF DIRECTOR  
EARL P. EISENHOWER, MINORITY STAFF DIRECTOR

## United States Senate

STAT

### SELECT COMMITTEE ON INTELLIGENCE

(PURSUANT TO S. RES. 400, 94TH CONGRESS)

WASHINGTON, D.C. 20510

July 26, 1977

IN REPLY PLEASE  
REFER TO R#9131

Admiral Stansfield Turner  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Admiral Turner:

I am enclosing a copy of a classified Committee staff study entitled "U.S. Intelligence Analysis and the Oil Issue, 1973-74". The study was prepared for the Subcommittee on Intelligence Collection, Production and Quality, chaired by Senator Adlai Stevenson, and has been unanimously approved by the full Committee.

The study focuses on the Community's performance in three specific areas: the Saudi Arabian position in the spring and summer of 1973 on the use of oil as a political weapon against the United States; the stability of oil price increases; and the impact of the increases on the world economy. The study was based on: field reports from NSA, the State Department, and the CIA's Clandestine Service; finished intelligence publications from INR and CIA; interviews with Intelligence Community analysts, consumers, oil company executives, and financial analysts; and public periodicals, including newspapers and specialized petroleum publications.

The study examines the substance of the Community's analysis and draws conclusions about the intelligence production process. The issues it addresses include the relative performance of specialized public sources on the three questions indicated above; the nature of field reporting; the extent to which analysts utilize the available collected data; the modes of analysis employed by the Community; and the impact of organizational arrangements.

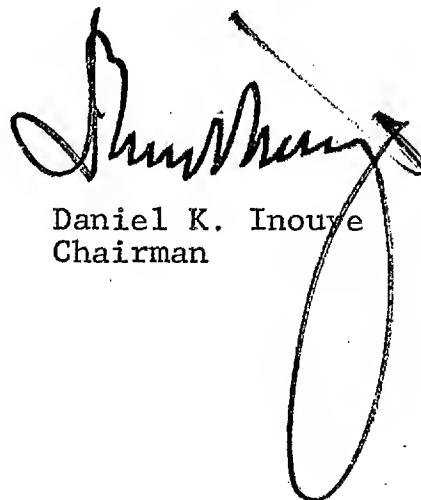
Admiral Stansfield Turner  
July 26, 1977  
Page Two

I would like to take this opportunity to express my thanks for the generous cooperation the members of the Community provided in the preparation of this study. I hope that you will find that this report contributes to your own thinking about the vital area of intelligence analysis.

I would welcome your comments.

With best wishes,

Aloha,

A handwritten signature in black ink, appearing to read "Daniel K. Inouye". A large, stylized letter "D" is prominent on the left, and a large, open loop is on the right.

Daniel K. Inouye  
Chairman

Enclosure

25X1

Approved For Release 2004/07/08 : CIA-RDP80M00165A000700020018-7

Next 1 Page(s) In Document Exempt

Approved For Release 2004/07/08 : CIA-RDP80M00165A000700020018-7

UNCLASSIFIED	CONFIDENTIAL	SECRET
--------------	--------------	--------

Approved For Release 2004/07/08 : CIA-RDP80M00165A000700020018-7  
EXECUTIVE SECRETARIAT

Routing Slip

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X (ExSummary only)	"	
2	DDCI		X	"	
3	D/DCI/IC		X	"	
4	DDS&T			"	
5	DDI		X	"	
6	DDA			"	
7	DDO		X	"	
8	D/DCI/NI			"	
9	GC			"	
10	LC	X		"	
11	IG			"	
12	Compt			"	
13	D/Pers			"	
14	D/S			"	
15	DTR			"	
16	A/DCI/PA			"	
17	AO/DCI			"	
18	C/IPS			"	
19	DCI/SS			"	
20				"	
21				"	
22				"	

SUSPENSE 2 August 1977  
Date

Remarks:

Please prepare DCI response.

25X1

Executive Secretary

27-July-1977  
Date

3337 (5-77)

25X1

Approved For Release 2004/07/08 : CIA-RDP80M00165A000700020018-7

Next 1 Page(s) In Document Exempt

Approved For Release 2004/07/08 : CIA-RDP80M00165A000700020018-7